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THE
C A S E
OF THE
ANNUITANTS

STATED,
And compar'd with other CRE-
DITORS of the Government.

WITH SOME
R E M A R K S

On a late PAMPHLET, intitl'd,
*An Argument to shew the Disadvantage
that would accrue to the Publick from
obliging the South-Sea Company to fix
what Capital Stock they will give the
Annuities.*

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OF THE
SITUATION



*The Case of the Annuitants
stated, &c.*

I NEED not inform the Publick, that those Persons who advanc'd their Money to the Government to purchase to themselves Annuities for 99 Years, have Acts of Parliament to secure them in the Possession thereof; nor can I in the least suspect, that a *British* Parliament, who have justly gain'd so great a Reputation abroad as well as at home, for maintaining their Faith and the Publick Credit with the greatest exactness, can ever entertain a Thought to infringe it. But we see the *Annuitants* at this time exclaim'd against as unreasonable, by those who would make a Property of them; and for this end some Gentlemen are now pleas'd, in Coffee-house Conversation, to talk of them in a manner as tho the Inclosures of Property were, in this case, to be thrown down, tho guarded with the same

Laws as that of their Fellow-Subjects; and, that it were as easy for these Gentlemen to obtain an Act of Parliament in favour of their *English Mississippi* (as they are pleas'd to call their Stock) as it is in *France*, to procure an Arret in favour of the *French*: by which one would think *French* Names must necessarily attend *French* Notions. By their Talk they tell us, in effect, that the Publick Faith is to be violated; and that not for the Benefit of the Government, but merely that their Company may have a better Bargain. And thus, could they have their Will, they would make a Stalking-Horse of the Legislature. In the Introduction, I would only make this further Remark by the by, That if they are pleas'd to use so much Freedom with the Legislature, as well as the private Property of their Fellow-Subjects, while they have this additional Strength only in view; what Treatment may the Nation expect from them, when they are got into possession of a Capital Stock of above forty Millions, besides other Advantages which they feed themselves with the Expectation of? But if we may judge of future Events by what is past, we need only reflect upon what Attempts have been formerly made by a Company who were then possess'd of a Stock of about two Millions only; and we may then easily guess that this Company will soon feel their own Strength: and if they do not act in the same manner, as well with regard to the Property of their Fellow-Subjects as to our Constitution, it will be intirely owing to the great Modesty and Tenderneſs of the future Managers.

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My principal Design in this Pamphlet is to state the Case of the *Annuity*ants, and to shew in what respect they differ from others who have lent their Money to the Government; and that they are at least equally intitled to its Favour and Protection, in consideration that the Money advanc'd by them was then, and is to this time continued, on easier Terms, than any Money lent by others during the Course of the late Wars.

IN the Comparifon I design, I will begin with the Bank of *England*, who were the first Lenders that remain undischarg'd, except some small part of the *Annuity*ants for Life. As the Circumstances of our Affairs then stood, People could not be prevailed upon to lend their Money at an Interest of 8 per Cent. for a certain Term of Years; and therefore, for their further Encouragement, the Parliament incorporated them with such Privileges as have enabled them to divide very great Profits, besides the Interest allow'd them: But upon the farther Continuation of their Charter by Act of Parliament to the Year 1742, they did then agree to accept of an Interest of $6\frac{1}{4}$ per Cent. for the Original Money lent, to be repaid the same upon twelve Months Notice after the First of *August* 1742. As the Advantages of this Company have been very great, so upon many pressing Occasions, they have been serviceable to the Publick.

THE next Lenders were the *East-India* Company. It was not expected that they should advance their Money at an Interest of 8 per Cent. only,

only; and therefore the Government gave them the sole Trade to *East-India*, for a certain Term of Years; but in consideration of a longer Term given them for their Trade, they have since agreed that their said 8 *per Cent.* be reduced to 5 *per Cent.* to the Year 1736: Notwithstanding which, their Profits on their said Trade to *India* have been so considerable, that it has enabled them to divide annually 10 *per Cent.* on their whole Stock.

THE next who advanc'd their Money to the Government, were the *Annuityants* for 99 Years. The Parliament being at this time desirous to create as few Taxes as possible, and yet being under a Necessity of raising great Sums of Money; did, in order to procure it upon more reasonable Terms than had been given the preceding Years, propose the selling Annuities for 99 Years: by which, the Purchasers of them had little more than 6 *per Cent. per Ann.* for their Money. Which being much less than was then made by other Money lent to the Government, and the Parliament not having any Bankings, or beneficial Trade to give them, as had been done to the Bank and *East-India* Company before; the better to encourage them to become Purchasers, they were put in mind, that at some times, before the Revolution, Money had been lent at 3 and 4 *per Cent. Interest per Ann.* and that after a Peace should be made with *France* and *Spain*, it might be reasonably expected, that the Interest of Money would again be as low; and that then they would receive a large Compensation for what they lost by advancing their Money on so easy Terms to the Government. And it was further

further declared by the 6th of *Queen Anne*, *fol.*
261. " That all and every such Purchasers, their
 " Executors, Administrators, and Assigns, respec-
 " tively, shall have good and sure Estates and
 " Interests in the several Annuities so by them
 " to be purchased, according to the Tenour
 " and true Meaning of this Act; and every
 " of them, during the Term aforesaid, shall
 " be free from all Taxes, Charges, and Im-
 " positions whatsoever." And the more ful-
 ly to express their Intentions, that the said An-
 nuities should be free, not only of all Taxes,
 but of all other Incumbrances whatsoever; it
 is further declared, *fol.* *263*, *viz.* " And be it
 " further enacted, That for the better Encou-
 " ragement of the Persons to advance the Mo-
 " neys on this Act, that all Receipts and Issues,
 " and all other things directed by this Act, to
 " be performed in the Exchequer, shall be
 " done and perform'd by the Officers there,
 " without demanding or receiving, directly or
 " indirectly, any Fee, Gratuity, or Reward
 " for the same." Thus these Gentlemen, up-
 on the Honour and Faith of Parliament, became
 Purchasers of the said Annuities, by which
 they had been great Sufferers during the re-
 maining Years of the late War, when much
 greater Advantages might have been made of
 their Money, as appears by those who lent the
 Years before and after. And now that it has
 pleased God to return us Peace and Plenty of
 Money, by which Interest is fallen to 4 *per Cent.*
 they have a full Assurance of the Continuation
 of the Faith and Justice of the Government to-
 wards them; and that they will not deprive
 them of that just Reward, which they are in-
 titled

titled to, for the Service they did, in lending their Money in its greatest Exigencies, upon easier Terms than had been obtained from any others.

THE Government having engag'd Posterity as far as they thought reasonable, by the Annuities granted for 99 Years; in the Year 1709, (the Lord *Godolphin* being still Treasurer) they inclin'd to borrow for a shorter Term, by granting Annuities for 32 Years, which were called Annuities of 9 *per Cent.* What other Money they borrowed that Year, was done by way of Lottery-Annuities for 32 Years, called the Lottery-Annuities of 1710: both these sorts of Annuities carried exactly the same Advantage to the Adventurers. It is here to be observ'd, as these Lenders were expos'd to have part of their Principal Money turn'd upon their hands gradually, during the Term of 32 Years, when Interest of Money might be sunk to 4 or 3 *per Cent.* the Government was necessitated to allow them an Interest of 8 *per Cent. per Ann.* and 1 *per Cent.* more, (which made 9 *per Cent.* in all :) which 1 *per Cent.* was calculated with Compound Interest to make up their Principal in 32 Years; or reckoning their Interest at 6 *per Cent.* each *Annuitant* would, at the end of the Term of 32 Years, according to that Calculation, have received 300*l.* principal Money for his 100*l.* principal Money lent the Government, over and above the 6 *per Cent.* Interest.

THE next Creditors of the Government, that take place, are those, who in my opinion, have
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made the greatest Profit by dealing with the Government, yet (the better to conceal their own Advantage) make the greatest Outcry against the *Annuityants*, as unreasonable, in order to make a Property of them: It will easily be understood that I mean the *South-Sea Company*. The Original of that Debt, was chiefly created by Persons who contracted with the Navy, Victualling, and Transport-Office, &c. for which there was either no Provision made by Parliament, or the extraordinary Occasions of the War obliged the Ministry to apply the same to other Uses. The Bargains made by these Contractors carried more or less Profit on the real Value of the Goods they furnish'd, (besides an Interest of 6 per Cent. on the Price they contracted for, to commence six Months after Delivery) according to the time when the Contractors expected to be paid for the same; for that an Interest of 6 per Cent. was not thought by them a sufficient Consideration for being kept out of their Money, in the height of a burdensome and uncertain War: and at length, the Payments on these heads being still more uncertain, the Contractors would not deliver more than the Value of 50 or 45*l.* in Goods for 100*l.* notwithstanding 6 per Cent. was allowed on the full 100*l.* as before mentioned. The Government not being able to pay immediately, were desirous, nevertheless, to put them into the best Method of Payment they could; upon which an Act of Parliament was pass'd, and Provision made, for paying an Interest of 6 per Cent. *per Ann.* on this Debt, till the Principal should be gradually paid off: So that a Person who had delivered only the Value of 50 or 45*l.* in

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Goods,

Goods, was intitled to 100*l.* with 6 *per Cent.* Interest for the same. And besides this Advance of Principal, the said Creditors were incorporated with the Privilege of the *Assiento-Trade*, and a very considerable advantageous Trade given them directly to the *Spanish West-Indies* for ever. As to the Addition made to the *South-Sea* Stock since the first Incorporation and Conclusion of the Peace, that Part does not come under the present Consideration: In this manner those Debts were provided for, with very great Advantage to the Proprietors. The Debt of the *South-Sea* Company before mentioned, as it stood on their original Incorporation, was contracted in several different Years of the War, and those who since the Peace have been grafted upon it, cannot complain of their Bargain.

THE next Lenders after the Incorporation of the *South-Sea* Company, were such as advanced their Money during the late War, on the several Lottery Funds; these were so far from lending at an Interest of 6 *per Cent.* on their Principal, that in the first place they insisted on an Advance of about 30, 40, and 45 *per Cent.* on the Principal Money lent, which was given by way of Prizes, or advanced by way of Principal on the Orders issued from the Exchequer: and besides, they were to be allowed an Interest of 6 *per Cent.* on the whole, till it should be repaid. I know the Administration at that time has been reflected on, as if they gave advantageous Terms, that their own Friends might ingross them; but 'tis well known, that those Persons who took large Sums in the Class-
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Lotteries, which were most advantageous, lost 3 or 4 *per Cent.* before the Drawing; and that the same Administration attempting to set up a Lottery upon Terms less advantageous, were disappointed of the Money, and were obliged to have a second Act of Parliament, to grant an Addition to the Terms propos'd by the first. From whence I would infer, that those Lotteries were calculated with the greatest Frugality.

By this View of all the Lenders to the Government, it appears, that every Person who lent 100*l.* by the Bank, hath never received less than a Dividend of 8 *per Cent.* except for about two Years past they have divided only 7 *per Cent.* and notwithstanding they have lately divided 10 *per Cent.* of their principal Money, the remaining 90*l.* now sells for 150.

THAT every Lender by the *East-India Company*, hath never received a Dividend of less than 10 *per Cent per Ann.* and his 100*l.* now sells for 210*l.*

THAT every Person who laid down 100*l.* in the Lottery-Annuities, will be reimbursed his Principal again in 32 Years, besides an Annual Interest of 8 *per Cent.* or reckoning Interest at 6 *per Cent. per Ann.* each Annuitant will at the end of 32 Years have received 300*l.* for his 100*l.* Principal Money, besides the said Interest of 6 *per Cent.*

THAT every Person in the *South-Sea Company* who laid down 80, 70, 60, 50, or even

some at the Value of 45 *l.* in Goods, for the Use of the Government, has 100*l.* Stock, which for many Years carried an Interest of 6 *per Cent.* and now 5 *per Cent.* which 100*l.* Stock now sells for 175. To set the Profit of this Company in a clearer Light, we will suppose, that they who came into it upon the first Establishment, furnish'd upon a Medium one with another the Value of 75 *l.* in Goods to the Government, which is the largest Calculation; now computing the Interest of the said 75 *l.* for 6 Years and a half at 6 *per Cent.* and one Year and a half at 6 *per Cent.* they have been paid off about 17*l.* of their Principal, by the Interest they received all that time for a full 100*l.* which now sells for 180*l.* and by adding the 17*l.* they have received above the Interest of 6 *per Cent.* for the real Value they advanced to the Government, makes 197*l.* for their Original 75 *l.* lent: so that I think these Gentlemen have the least Reason of any, to complain of the exorbitant Expectation of the *Annuityants.*

THAT every Person who advanc'd 100*l.* to the Lotteries, hath had an Addition from about 30 to 45 *per Cent.* given him with an Interest of 6 *per Cent.* on the whole, and still receives an Interest of 5 *per Cent.* So that these, who came in at the latter end of the War, when our Affairs abroad prosper'd every where, and seem'd to tend to a speedy and happy Peace, and therefore run little or no hazard, very soon doubled their Money by the Advance on their Principal, and the Interest still allowed on that Advance.

FOR

FOR those who lent by the Lotteries since the Peace, they are out of the Case, as they had nothing more in view, but Indulgence in the Play part, and Interest for their Money.

YOU have now seen the several Advantages of the present Creditors of the Government; and for those who have lent, and are already paid off, they have had Advantages not inferior, as the Million and Malt-Lotteries, &c.

WE are now to inquire what Advantages those People are to have, who purchased Annuities for 99 Years, from the Government, of about 6 per Cent. on each 100*l.* laid down. 'Tis very plain, that during the time of the War, they were very great Losers, when they might have made much greater Profit of their Money, as appears from the State of other Lenders to the Government. Why then 'tis plain, that from the long-experienc'd Justice and Honour of the *British* Parliament, they had no other Re-compence to expect, but that they might enjoy, in a time of Peace, when Interest of Money might be lower, what they had so fairly purchased, and for which they had given a valuable Consideration.





R E M A R K S, &c.

SINCE Writing of the foregoing, is come out a Pamphlet, intitl'd, *An Argument to shew the Disadvantage that would accrue to the Publick from obliging the South-Sea Company to fix what Capital Stock they will give for the Annuities.* This Pamphlet being chiefly aim'd at the Annuities, I shall take some Notice of it by a few Remarks upon the same.

THIS Author begins thus : p. 1, & 2.
 “ That it has always been his Opinion, that
 “ the Bank of *England* might, from the difference of their Constitution, have taken the
 “ redeemable Funds and Annuities into their
 “ Capital Stock upon Terms more advantageous to themselves as well as the Publick,
 “ than the *South-Sea* Company could ever propose : Nevertheless, says he, the *South-Sea*
 “ Company having offer'd the largest Sum for the Redemption, the Parliament ought to
 “ stand by them,”

IN the First we are both agreed, that the Bank could go through their Scheme upon Terms more advantageous to themselves and the Publick. But in answer to the Second, I am of Opinion, that the Scheme of the Bank is likewise most advantageous to the Publick, since they propos'd to give the Irredeemables such a Price as this Person owns would have invited them in; whereas in the ensuing part of this Treatise, he seems to own he has little Expectation of doing it by the *South-Sea* Scheme, but in the Hopes he vainly conceives, that the Parliament will execute most *rigorous Justice* in order to compel them. For, as by the Proposal of the two Companies, supposing they could be executed by both (which I am sure the *South-Sea* Company will never be able to do, as to the Irredeemables at $25\frac{1}{2}$ Years Purchase) the Difference accruing to the Publick, would be but 446,400*l.* more from the *South-Sea*, than the Bank, (as is proved by a printed Comparison of the two Schemes;) I think it is hardly worth the while of the Government to run the Hazard of being disappointed in their main View of reducing the Irredeemables for the sake of such a Sum: especially since it is hinted by this Author, That the Parliament are to use most *rigorous Justice*, alias *wholesom Severities*, (by which I suppose he would have the *Annuity* understand some flaming Act of Injustice) in order to make the *South-Sea* Scheme go down.

Pag. 3. HE declares, That according to the present Price of *South-Sea* Stock, they will
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be very great Gainers by taking in the Redeemable Funds to be part of their Capital; but the Annuities being the most burdensom part of the Debt that the Nation labours under, the Prospect of paying off these in an honourable Method, was the chief Inducement of the Committee to accept of the whole Proposal.

THE Question remaining is, says he, Whether the Company can take in the Irredeemables to so great Advantage to themselves, as they conceive they may obtain by the Redeemables: And accordingly he goes on, *p. 4, 5, 6,* and *7.* to demonstrate, That the Company proposes to get more in proportion by the Annuities, than by the Redeemables. But in *p. 8.* he observes, That if the *South-Sea* Stock comes to *300 per Cent.* the Company will get twenty-eight Millions by taking the sixteen Millions of Redeemables, and only nineteen Millions and a half clear of what they give the Government, by taking in the thirteen Millions of Annuities: upon which Profit, says he, no Person will doubt of their Intention of taking them in. It plainly appears in this whole Calculation, that the Government is to be imposed on, according to this Author, in case the *South-Sea* Company are not oblig'd to set a better Price than he proposes: For even under the Circumstances of the Company's Stock being at *300 per Cent.* and their getting nineteen Millions $\frac{1}{2}$ by the *Annuityants*, he proposes, *p. 6.* to give the *Annuityants* but *25 $\frac{1}{2}$* Years Purchase; and that to be paid in Stock at such a Price as they think fit to set it at, and not at so many hundred Pounds Capital,

Capital, as the Bank proposed; which is the only Method an *Annuitant* can make his account by. This Price the Author knows will be so far from inducing the *Annuitants* to subscribe, that instead of answering the Design of the Committee, which he declares, *p. 3.* was to take in the *Annuitants* by honourable Methods, as the chief Inducement to the Committee to accept of the whole Proposal; he would, all at once, have them turn about, *p. 13.* and infringe their Honour and Credit, by executing *most rigorous Justice* on these *Annuitants*, as a Set of People, who of all others have the least Pretence of Favour from the Publick: and this in order only to secure those great Advantages to the *South-Sea* Company, without which he declares their Incapacity of negotiating the Scheme. For all People must allow, that if Stocks rise, Interest of Money must soon fall; which makes the Annuities more valuable, since 30 Years Purchase is little more than answerable to *South-Sea* Stock at 150 *per Cent.* if we make the annual Produce of the one and the other, for a good Number of Years to come, the Measure of our Judgment; which, I believe, is what the *Annuitants* will go by when they subscribe. And tho this Author is pleas'd to call them a Set of People, who of all others have the least Pretence to the Favour of the Government, which I think is such an unjust Treatment of them, that I can't help saying, (and, I hope, without Prejudice to any other Creditors of the Government) That, in my humble Opinion, they deserve better than any other Lenders, for that they confided intirely in the Faith of future Parliaments, for the only Advantages which they were to receive for

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advancing their Money to the Government, which other Lenders took care to secure to themselves before-hand.

Pag. 10. THE Author insinuates, That $25\frac{1}{2}$ Years Purchase is $1\frac{1}{2}$ more than they were sold for, when he declares *South-Sea* Stock much above 175 *per Cent.* which is known to be false, they having not been sold for less than 25 Years Purchase ever since *South-Sea* was at the Price he mentions. And as he declares himself a Man of Business and Figures, he at the same time declares himself to be a Man of no Sincerity, when he says, p. 11. That $25\frac{1}{2}$ Years Purchase is more by $5\frac{1}{2}$ than they are worth, were it not for this extraordinary Advance of *South-Sea* Stock: Whereas, I conceive, they would be worth $25\frac{1}{2}$ Years Purchase, tho *South-Sea* Stock were not sold at more than 120 *per Cent.* and this in Consideration of their long Term.

Fol. 13. HE says, the Annuities are that part of the Debt which the Nation groans under; and that he has good Reason to believe, that the Proprietors of them have once in this King's Reign opposed a Project for the Payment of the National Debts. In answer to that, I know of no Proposal ever made to the *Annuityants*, nor Scheme form'd for a Reduction of the National Debt, unless he means a Scheme of his Brother *Paterfon*, who recommended *wholesom Severities* (as his Follower does most *rigorous Justice*) to that degree, that they were not in a Condition to propose, or accept of any Terms from the Government; so that nothing could be done before that Man's Scheme was buried, and I doubt the
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Refurrection of it, now attempted by his Disciple, would prove as fatal. But this Scheme in good and honest hands (as no doubt but the Parliament and Ministry will place it in such) can't well miscarry, nor can it be in danger but by the exorbitant Expectations of the *South-Sea* Company.

THIS Writer, notwithstanding what he has said in the middle of his Treatise, is willing the World should entertain an honest Opinion of him; and therefore concludes with Truth as he began, by saying, *p. 16.* "That the Bank by means of their Capital being smaller, were not subject to the Objections that may be brought against the *South-Sea* Company's Capacity for negotiating their Scheme."

I can't conclude without one more Remark in answer to what seems to be the chief Drift of this Author; and that is, That if the *South-Sea* Company should be obliged to fix what Capital Stock they will give for the Annuities, they shall not be able to go through with their Scheme; for in *p. 3.* he says, "As the Annuities are the burdensome part of the Debt which the Nation labours under, the Prospect of paying off these, was the chief Inducement of the Committee to accept of the whole Proposal." And so I take it; and that the only way of doing it effectually, must be by offering them such a Price as may make it the Interest of the *Annuityants* to subscribe them into the *South-Sea* Stock: for I will not suppose that any Violence is to be offer'd 'em. Is it not then highly reasonable to expect,
since

since the Company are to have so great an Advantage by taking in the redeemable Funds, that the Parliament may be assur'd, that they design to offer the *Annuityants* such a Price, as may encourage them to subscribe: and if so, from whence then proceeds this Gentleman's Fears? If he thinks that the Company can give the *Annuityants* such a Price as may encourage them to come in, where is the Danger of offering it to Parliament? or, why will the Stock be the worse for it? But if he thinks that they can't offer such a Price as the Parliament may think a reasonable Encouragement for the *Annuityants* to subscribe their Annuities, it is, in my poor Opinion, a plain Declaration (according to this Author's Notion) that they are not capable to go through with their Scheme: for I must repeat again what I said before, That I can't suppose that any Violence is to be offer'd to the *Annuityants*, but that their Subscription must be intirely Voluntary. If this then be the Case, I hope the Parliament will be cautious how they trust the *South-Sea Company* with the Power of taking in the Redeemable Funds, till they give them some better Security for the taking in the Irredeemable ones also; which, he says, was the chief Inducement of the Committee to accept the whole Proposal.

F I N I S.